

VOLUNTARY ERROR REPORTING THROUGH PSYCHOLOGICAL CONTRACTS

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Efforts to promote voluntary reporting of errors and near misses can benefit from viewing the relationship between employees and the organization in terms of psychological contracts—obligations that employees perceive they have to their organization. We review the literature on psychological contracts in industrial and organizational psychology and argue that employees engage in voluntary behaviors in order to fulfill their perceived obligations to their organization. The specific form of voluntary behavior will depend on which behaviors are viewed by organizational members as representing appropriate ways of reciprocating. It follows that voluntary reporting is likely only if employees perceive an outstanding obligation and in addition view voluntary error reporting as an organizationally valued response. We develop these arguments and elaborate on the organizational implications for implementing reporting systems and creating a blame-free culture.

Introduction

Efforts to improve safety or reliability require employees to either change their behaviors or exhibit new behaviors. In many instances, employees are expected to voluntarily act in ways beneficial to the organization. These voluntary behaviors (e.g. error reporting) cannot be tied down to strict behavior-reward contingencies. Therefore, effective implementation of safety initiatives requires a fine tuned understanding of why and when employees engage in such voluntary behaviors. We propose that the recent work in psychological contracts stemming from a social exchange based view of the relationship between employees and the organization provides a useful way to answer these questions. This paper focuses on a specific form of voluntary behavior – voluntary error reporting.

Social Exchange Processes and Psychological Contracts

In their interactions with the organization, employees barter resources under their control for resources possessed by the organization. On occasions, this exchange is driven purely by written terms of the employment contract. For example, employees agree to deliver a certain level of performance in response to a clearly articulated incentive plan. This kind of an exchange is termed an economic exchange and involves behavioral responses to short-term reward structures. On other occasions, the exchange is long-term and involves trading of socio-emotional resources. For example, employees exchange personal loyalty and hard work for social status provided by the organization (Organ 1988). This exchange is termed a social exchange (Gouldner, 1960; Homans, 1961) and involves employees responding to long standing personal obligations to the organization. Unlike in the economic exchange, the obligations in a social exchange are not explicitly written down; they exist as implicitly understood terms of a relational psychological contract (Rousseau, 1995).

Social exchanges develop over a period of time. Employees carefully evaluate the trustworthiness of the organization in their day-to-day interactions with it. Economic exchanges are transformed to social exchanges only when employees feel that they can rely on the organization to give them their due, equitably, over the long run. In other words, when employees perceive that their organization will not “exploit” their work, they go beyond their defined role requirements and do things for the organization without really being calculative about what they get immediately in return for their efforts (Gouldner, 1960). In such circumstances, reliance on explicit written employment contracts is substituted by a dependence on implied terms of the relational contracts

Each employee’s psychological contract is unique. Since employees have differing experiences with their supervisors and other important members of the organization, they have different conceptualizations of their contracts with the organization (Rousseau, 1995). Hence, whether or not an employee enters into a social exchange relationship with an organization is individually determined by her personal interactions with authorities in the work environment. Psychological contract is therefore idiosyncratic, a result of a history of exchanges, and involves a set of mutual expectations.

Social Exchange and Voluntary Error Reporting

Voluntary error reporting is best understood in the context of an ongoing social exchange between employees and the organization. Error reporting occupies an unclear position in the employees’ job role. It lies somewhere on the indistinct boundary between extra-role and in-role behaviors at work because although organizations can communicate to employees that error reporting is desirable, they are often unable to tie it to concrete performance standards and short-term rewards. Therefore, eliciting error reporting through explicit economic exchanges with the employees is difficult. Hence, error reporting like other voluntary behaviors occurs primarily in

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long-term social exchange relationships (Organ, 1988).

Employees fulfill their outstanding obligations by engaging in voluntary behaviors. For example, they would tend to "repay" an organization for providing job security or developmental training by engaging voluntarily in behaviors that they feel the organization would like them to perform. Voluntary error reporting can be seen to represent one way of restoring balance as information is often viewed as a resource that can be bartered (Foa & Foa 1980). More formally,

Hypothesis 1: Employees who develop social exchange relationships with their organization are more likely to voluntarily report errors.

Perceived Appropriateness of Voluntary Error Reporting

However, even if employees perceive an outstanding obligation, they might not engage in error reporting. In other words, existence of a social exchange relationship does not automatically result in voluntary error reporting. Employees can fulfill their terms of the relational contract with the organization in a variety of ways such as helping co-workers with their work, following organizational rules, accepting minor discomforts in work life in a sportsmanship manner, and by being conscientious in their job performance (Coleman & Borman, 2000; Van Dyne, Cummings, & Parks, 1995). It is therefore important to understand circumstances under which social exchange relationships prompt employees to respond by choosing error reporting over other voluntary behaviors.

"Perceived appropriateness" plays an important role in behavioral choices of employees. Employees define for themselves what they have to do in order to fulfill their implicit contractual obligations to their employer and unless voluntary error reporting is seen by them as a behavior that their employer tacitly expects from them, they would not engage in it. The prevailing organizational climate, interactions with supervisors, and early socialization in the organization all convey to employees what expected behaviors are in the workplace (Robinson, Kraatz, & Rousseau, 1994). Hence, these determine whether or not an employee perceives error reporting to be an appropriate behavior under the psychological contract.

Some recent empirical studies have provided support for the argument above. Hofmann, Morgeson, & Gerras (2003), for example, have shown that two factors determine whether or not employees demonstrate commitment for an organizational initiative. First, they found that employees voluntarily participated in an organizational initiative when they developed a social exchange relationship.

Second, presence of a social exchange relationship only guaranteed voluntary participation when the supervisors and the other important spokespersons of the organization constantly conveyed to the employees that such participation is valued in the organization. Hence social exchange should lead to error reporting only when employees perceive that their organization values and in the long term recognizes error reporting and not otherwise. More formally,

Hypothesis 2: Social exchange will increase the likelihood of voluntary error reporting only when employees perceive error reporting as a behavior valued by the organization.

Discussion

In summary, we can expect employees to voluntarily report errors when they enter into long-term social exchange relationships with the organization. Further, these social exchange relationships increase the likelihood of error reporting only if such reporting is seen as a behavior valued by the organization.

These two hypotheses have several practical implications. First, these hypotheses point to the important role non-economic factors play in eliciting voluntary error reporting. Economic exchanges that lead to transactional contracts between the employees and the organization primarily determine whether or not employees engage in behaviors rigidly defined in their formal job descriptions. However, since behaviors like voluntary error reporting are not fully enforceable by organizational reward systems, they are more effectively elicited when organizations develop long term oriented relational contracts with the employees. Employees seek factors like career development and growth or security and in return for those engage in voluntary work behaviors that are beneficial to the organization (Rousseau, 1995)

Second, there is a need for organizations to constantly manage and shape their relational contracts with employees. Managing these contracts effectively is one aspect of creating a culture of employee involvement that is said to be central to success of safety initiatives (Reason, 1997). The challenge in eliciting voluntary reporting is in making such reporting an appropriate and exchangeable behavior.

Third, we should be aware that employees who engage in voluntary behaviors as their part of the bargain in the relational contract expect the organization also to fulfill its obligations to them. Hence, any violation on part of the organization will result in employees withholding such behaviors. Previous research had shown, for example, that unannounced lay-offs or inconsistent or unethical treatment of employees might be construed by employees to be violations of relational

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psychological contracts (Rousseau 1995). Hence, organizations should closely consider repercussions of their actions on the implicit, though legally unenforceable, expectations that employees have from them.

This paper deals with certain antecedents to voluntary error reporting by employees. Although parts of the paper still require empirical validation, we attempt to provide the reader with a framework for understanding key psychological processes that underlie voluntary error reporting.

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